

CENTRAL INTELLIGENCE AGENCY

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COUNTRY	East Germany	REPORT	
SUBJECT	Information on the Ministry of Machine Construction	DATE DISTR.	14 April 1955
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- On 24 January 1955, Heinrich Rau, Minister of Machine Construction, stated that none of the main administrations of the Ministry of Machine Construction had fulfilled their financial plan and that the total accumulation¹ for the year had not been achieved. The reduction of costs (Selbstkostensenkung) had amounted to only 2.3%. All plants are to formulate activist plans (Kampfpläne); heretofore only a third of the plants had complied.
- All man power plans had been exceeded, resulting in excessive wage outlay. Worker productivity had not been raised accordingly, especially with regard to administrative personnel. Overtime is prohibited. In the future not only plant managers but also responsible officials will be penalized in the event of overtime work. Premium payments to chief operators and brigade members as well as pay scale categories of workers must be brought in line with actual production. With regard to the political situation, recruitment for the People's Police is to be intensified among younger workers whenever relocation of manpower occurs (Umsetzungen).
- Minister Rau ordered that, in the future, no changes in the production plan should be made without his approval.
- Contributions to the director fund will no longer be taken out of wages, but will be taken from plant profits. Capital investment funds may only be spent after plan fulfillment; for 1955, only after the first quarter plan has been officially fulfilled.
- The export plan was to have been fulfilled by 31 December 1954. The Ministry has made up 98% of the unfulfilled portion; the remainder is to be made up by 30 March 1955. The 1955 export program must be fulfilled by the end of November 1955.

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 **Comment:** Accumulation is believed to be a standard of measurement whereby industrial plants or production sectors compute their total surplus addition to the national economy, figured by deduction of (1) working capital advanced or charged to the plant or production sector by the central governmental fiscal organization together with (2) subsidies from (3) net income before taxes.

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